

MHCLG: Planning for the Future

Construction Leadership Council (CLC) Consultation
Response – October 2020

Executive Summary

Context

The Construction Leadership Council provides sector leadership to the construction industry in the U.K – A sector that comprises 8% of GDP, employs over 10% of the workforce and one that will play a vital role in the economic rebalancing of the UK.

Our mission is to work with our industry colleagues to address fundamental business challenges associated with our cyclical workload and our ability to invest in the supply chain. We aim to find opportunities to invest in skills, innovation, and technology in order to deliver greater productivity, drive greater efficiencies and deliver better value outcomes for our clients. Above all, CLC will work in collaboration with the Green Construction Board to ensure that all our work is consistent with the UK meeting our Net Zero commitments.

We welcome the opportunity to respond to this consultation on the Government’s longer-term aspirations for reform of the English Planning System. Our submission has been informed by extensive consultation with our members through various workshops and one-to-one engagement sessions on each of the three pillars outlined in this planning consultation.

Our Key Points...

The Construction Leadership Council agrees there is a need to reform the planning system in England. We share the governments aspirations to make the system simpler, more modern and faster in its delivery. A reformed planning system is also needed to deliver on the governments’ ambition of ‘levelling-up’, enabling local regeneration and enhanced placemaking projects to transform parts of the country and to help drive economic growth. It would also help to reverse the marked decline of SME house builders, which will be a critical element in sustaining progress towards Government delivering its target of building 300,000 new homes a year.

More emphasis on broader infrastructure development needed, we believe that placemaking must be at the heart of any development and that wider social, environmental and economic outcomes must be considered. Therefore, housing development must be accompanied by economic and social infrastructure to help create skills and employment opportunities as part of the post-covid economic recovery.

It is also recognised that planning reform needs to assist the delivery of other forms of development as well as housing, including other economic activity that supports the delivery of new housing, commercial and infrastructure development.

A strategic planning structure is needed. To support the ambitions set out in the white paper it is vital a robust means of planning at a greater than local level is delivered through the following reforms. In areas with combined authorities that may mean devolving powers where those are wanted, to plan strategically. However, not all areas are covered by combined authorities, and in those areas a replacement for the *Duty to Cooperate* will be required. Strategic plans should only focus on strategic issues and not seek to dictate development management policies.

Local Plans must make full provision for scoping and funding and financing such infrastructure (including 'green infrastructure') and demonstrate how wider social and economic goals will be delivered through the Plan, much in the same way a business plan would be put together. There would be merit in developing a 'common language' for describing and assessing such wider goals and the analysis and metrics within the *Construction Innovation Hub (CIH)* toolkit could help provide this.

A 'Fourth-Zone' for regeneration should be included as part of the zoning proposals. This would support large and complex sites, such as major regeneration schemes and urban extensions, with a 'long-term growth' designation. Key to this is its exception to other growth areas and would not have an outline permission at start. An outline permission so early in the planning process would create too much inflexibility for communities and developers. Instead, on 'long-term growth sites' a more codified phased approach could be considered. The use of Local Development Orders, or Development Consent Orders, could also be used as the route to consent in some circumstances.

In order to deliver on the government's ambitions for levelling-up, a reformed planning system will be vital to ensure the delivery of regeneration in the communities that need it most. The inclusion of a 'fourth zone' focusing on longer-term growth fits in with this ambition and will allow developers to deliver on projects with greater flexibility.

Quality in development, better quality in development is vital to ensure we deliver the homes that protect and enhance the environment while also being able to stand the test of time. We support proposals set out to improve use and production of design codes and guides. However, we believe that design needs to be considered in the broader context, considering how the development sits within a local community and not limited or over prescriptive on the design specifications within individual building envelopes, they should instead seek to define and establish the principles of place. This will be particularly impactful to benefit of post-industrialised areas or smaller towns that may have traditionally had a history of poor design and limited environmental enhancement.

Support for wider Digitisation in the planning system, we support proposals set out that would require web-based Local Plans but recognise that the planning system requires much greater digitisation across the board. This also includes the use of digital tools being used in the Neighbourhood Plan process. As such, investment will be required not only in hardware/software, but also in the skills within Local Planning Authorities to procure and use digitalised systems.

Support for the creation of a proposed Infrastructure Levy, we agree that simplification of the process around developer contributions is needed. In terms of how this would be set, we would support area-specific rates that are set nationally to give greater certainty and consistency for all parties, with some flexibility in cases for local authorities to modify their rate subject to an agreement with central government.

Local Authorities should be given the flexibility to use the Levy on specific types of revenue expenditure directly related to capital works, such as initial feasibility studies. However, it is imperative that any levy funds continue to be spent on infrastructure and not on other local authority priorities.

In addition, the CLC recommend an Industry/government Taskforce is set up to review whether infrastructure funding statements are being delivered.

Further funding required to deliver on infrastructure, while the proposed Infrastructure levy is welcomed by our members, we still maintain the view that additional sources of funding will be required to deliver on areas like local infrastructure, employment, skills and affordable homes. As we set out in our recent report – [*CLC Greener Regeneration Investment Fund*](#), additive and combined financing from both government and the private sector would enable real, long-term regeneration which could work alongside a reformed, simpler infrastructure levy. This plan for integrating funding streams should be drawn together as part of the strategic planning system and the development of local plans, not as currently stands on a site by site basis which results in delayed provision of infrastructure and often unspent accumulations of funding delivering no benefit, as outlined in the [*MHCLG - The value, impact and delivery of the Community Infrastructure Levy report*](#) which presents a series of findings looking at the operation, impact and value of CIL.

Local Authorities will require the right resources. Government must consider proper resourcing of Local Authorities which in many cases, have had to make difficult financial choices during the current pandemic. On top of this, proposals to introduce areas of digitisation into Local Plans and improved and structured design codes will require significant Local Authority resourcing and skills training. We encourage government to consider this aspect, in order to deliver on the ambitions outlined in a reformed planning system and fully support the [*RTPI report, Invest and Prosper – a Business Case for investing in Planning*](#) which recommends that a Planning Delivery Fund of £500m is required to enable the planning system to deliver outcomes efficiently, effectively and equitably. In addition a blend of planning, surveying, cost management, design and engineering professionals should be assembled within Local Authorities, around the Chief Placemaking Officer.

Finally, Local planning authorities must continue work to formulate and adopt local plans under existing arrangements, to avoid a damaging hiatus, especially as the proposals are ambitious and will take several years to implement in full. The government’s housing delivery objectives will be frustrated if discipline in adopting and implementing local plans under the current system is not strictly maintained. If for example, proposed changes reduced confidence by just 10% in the transition phase this could result in over 268,000 people losing their jobs, against a sector already facing a long road back to pre-COVID employment levels out to 2025 (CITB CSN Forecasts).

Pillar One – Planning for development

- 1. What three words do you associate most with the planning system in England?**

(No Response)

- 2. Do you get involved with planning decisions in your local area? [Yes / No]**

(No Response)

- 2(b). If no, why not? [Don't know how to / It takes too long / It's too complicated / I don't care / Other – please specify]**

(No Response)

- 3. Our proposals will make it much easier to access plans and contribute your views to planning decisions. How would you like to find out about plans and planning proposals in the future? [Social media / Online news / Newspaper / By post / Other – please specify]**

(No Response)

- 4. What are your top three priorities for planning in your local area? [Building homes for young people / building homes for the homeless / Protection of green spaces / The environment, biodiversity and action on climate change / Increasing the affordability of housing / The design of new homes and places / Supporting the high street / Supporting the local economy / More or better local infrastructure / Protection of existing heritage buildings or areas / Other – please specify]**

(No Response)

- 5. Do you agree that Local Plans should be simplified in line with our proposals [Yes / No / Not sure Please provide supporting statement]**

We agree with the proposals to simplify local plans, including streamlining their development management content, which it is entirely possible to set out on a national basis derived from the NPPF. We support digitisation of local plans and planning paperwork. This will help free up resource for positive, strategic planning. In this respect we also welcome the proposal for having a chief planning officer as a key member of Local Authority Senior Teams.

As highlighted in our recommendations and in our response to Question 9b an additional fourth, longer-term growth zone is required to align the planning system to ambitious regeneration programmes that will not only support the governments target of 300,000 homes, but help establish the social and economic outcomes as part of a wider placemaking agenda.

There is a clear need for culture change and increased resources for Local Planning Authority (LPA) teams to support positive planning that can deliver the White Paper's objectives.

6. Do you agree with our proposals for streamlining the development management content of Local Plans, and setting out general development management policies nationally? [Yes / No / Not sure. Please provide supporting statement.]

Yes. The CLC agree that Local Plans need to be made shorter, more concise and targeted at deliverables with development management issues instead dealt with at the national level.

7. Do you agree with our proposals to replace existing legal and policy tests for Local Plans with a consolidated test of "sustainable development", which would include consideration of environmental impact? [Yes / No / Not sure. Please provide supporting statement.]

Under the proposed "sustainable development" test of soundness for local plans, the current tests for soundness set out in the NPPF will still be applicable in assessing whether or not a plan is considered to deliver sustainable development. We agree that sustainability appraisal system should be replaced with a simplified environmental impact assessment. Deliverability of a plan should remain a high priority in the new testing regime. The need for a deliverable five-year land supply to meet local housing needs should be retained as part of the test.

7(b). How could strategic, cross-boundary issues be best planned for in the absence of a formal Duty to Cooperate?

The proposed abolition of the duty to co-operate will mean that the government's proposal that it would give each authority a mandatory housing target taking account of local constraints and opportunities, will need to be exercised in a way to ensure that where there are supply constraints in a particular area, unmet need can be met in another LPA area. The government has not set out how it intends to address this, but getting the detail of its proposed approach right will be essential to meeting housing requirements locally, sub-regionally and nationally in order to achieve the overall target of 300,000 homes a year by the mid-2020s.

8. Do you agree that a standard method for establishing housing requirements (that takes into account constraints) should be introduced? [Yes / No / Not sure. Please provide supporting statement.]

The CLC believes that housing numbers handed down centrally could reduce the overall time taken to develop a Local Plan. However, further clarification on the current methodology may be needed, which understates historical delivery and growth aspirations in the North and Midlands for example.

8(b). Do you agree that affordability and the extent of existing urban areas are appropriate indicators of the quantity of development to be accommodated? [Yes / No / Not sure. Please provide supporting statement.]

Yes. Basing housing requirements on existing stock as well as household projections is appropriate. Using affordability indicators as a proxy for under delivery over time is acceptable although not the perfect measure.

There is a need to retain the five-year housing supply requirement alongside the housing delivery test. The latter is backward looking and does not alert authorities to problems regarding trajectory of housing output until it is too late to do anything about it. The five-year supply requirement is forward looking and highlights potential delivery issues or overly optimistic assumptions regarding development within renewal areas.

9. Do you agree that there should be automatic outline permission for areas for substantial development (Growth areas) with faster routes for detailed consent? [Yes / No / Not sure. Please provide supporting statement.]

(No Response)

9(b). Do you agree with our proposals above for the consent arrangements for Renewal and Protected areas? [Yes / No / Not sure. Please provide supporting statement.]

The CLC is broadly supportive of proposals for the consent arrangements for Renewal and Protected areas as set out in the planning document. Comments and suggestions are highlighted in the following three paragraphs.

Renewal Zones - Against a backdrop of significant need for urban renewal this designation could be very helpful. However, Government suggests it would encourage gentle densification in renewal areas which may strike some concerns if not done well, especially in suburbs. Likewise, there is only one passing reference in the White Paper to placemaking and there is nothing on on-going stewardship of places which we feel needs to be addressed.

Additionally, the CLC has some concern with the classification of a **'protected'** zone status. Local communities may assume that it means those sites are protected infinitum, when circumstances change and it is sometimes necessary to release green belt for example, for essential infrastructure or growth. The Government's intention is that it is only protected for each plan duration and we believe this needs to be made clearer in the document.

Finally, there is a concern that large regeneration sites may sit somewhere between Growth and Renewal zones and would require a different classification. The CLC is recommending government to consider a **'fourth Zone'** for major regeneration which we believe to be an important aspect of the governments levelling-up agenda and linked closely with planning reform. This would support large and complex sites, such as major regeneration schemes and urban extensions, with a 'long-term growth' designation. Key to this is its exception to other growth areas and would not have an outline permission at start. An outline permission so early in the planning process would create too much inflexibility for communities and developers. Instead, on 'long-term growth sites' a more codified

phased approach could be considered. The use of Local Development Orders, or Development Consent Orders, could also be used as the route to consent in some circumstances.

9(c). Do you think there is a case for allowing new settlements to be brought forward under the Nationally Significant Infrastructure Projects regime? [Yes / No / Not sure. Please provide supporting statement.]

(No Response)

10. Do you agree with our proposals to make decision-making faster and more certain? [Yes / No / Not sure. Please provide supporting statement.]

(No Response)

11. Do you agree with our proposals for accessible, web-based Local Plans? [Yes / No / Not sure. Please provide supporting statement.]

The CLC broadly agrees with the proposals for accessible, web-based Local Plans and supports wider digital transformation of planning to deliver on the White Paper ambition to “*improve the user experience of the planning system*”.

As part of wider digital transformation, we recommend:

- The Planning system should ensure all published and commissioned planning documents are machine-readable and easy to interrogate, share and re-use, and establish a common structure and data scheme for local plans and planning applications, linked to an open national evidence base.
- We believe that MHCLG should consider whether to provide clearer guidance on the length, structure, evidence base requirements, and format of plans, though with a focus on maintaining quality. This includes progressing existing digital pilots, such as the *Back-office Planning System (BoPS) for local authorities*. This pilot aimed to create a user-centered back-office town planning system that uses accurate, up-to-date records and data to increase efficiency across the planning application process and satisfy the needs of Planning Officers.
- MHCLG should also develop tools to support scenario testing during public consultation and standardised requirements for 3D models to accompany planning applications.

The CLC also support the approach taken by the National Digital Twin programme (NDT), set up to deliver on the recommendation presented by the National Infrastructure Commission (NIC) - *Data for the Public Good report*, which sets out a roadmap towards a national digital twin. Digitising the planning system is one part of a much wider spectrum of activity in relation to digitising the built environment, and one we think is the future. This will require investment in capability building and different strands need to be complementary, and managed in a coordinated way, particularly from the perspective of investing in skills and capability. A shared vision for the public and private sectors, together with a shared view as to what skills are needed and investment to develop these would be a much better approach.

We believe there is a real opportunity for digitisation and technology to play an active role in the Green Recovery, which will require leadership coordination from government and robust, systematic funding that is ring-fenced by government. Investing in digitisation also means making sure Local Authorities have the right resource, skills and capacity to procure digital tools.

12. Do you agree with our proposals for a 30-month statutory timescale for the production of Local Plans? [Yes / No / Not sure. Please provide supporting statement.]

Yes. In principle, the proposed 30-month local plan process is an appropriate target, but it must be recognised that is only half of the average time it currently takes to put a local plan in place which can be seven years, although there will be some time-savings on working out housing numbers if these are handed down from national government.

It is also important to note that any new local plan adoption process should not compromise quality over the need for speed. We also have concerns whether already overstretched planning departments have the resource to implement Local Plans in a shorter timeframe and as mentioned in our recommendations, fully support the [RTPI report, Invest and Prosper – a Business Case for investing in Planning](#) which recommends that a Planning Delivery Fund of £500m is required to enable the planning system to deliver outcomes efficiently, effectively and equitably.

13. Do you agree that Neighbourhood Plans should be retained in the reformed planning system? [Yes / No / Not sure. Please provide supporting statement.]

As part of the Government commitment to levelling-up and further devolution, Neighbourhood Plans have enabled local communities to actively contribute to the types of development in a specific local area. However, with the proposal to deliver a Local Plan in 30 months, the CLC feels this is an additional layer of bureaucracy that can stifle much needed development in an area. These plans can be costly and use up much needed Local Authority planning resources.

As such, the CLC takes the position that there should be no change to the current situation, where individual areas can decide to implement a Neighbourhood Plan but that housing must take a more prominent role and where a Neighbourhood Plan has no housing allocations or numbers, it should explicitly state why.

13(b). How can the neighbourhood planning process be developed to meet our objectives, such as in the use of digital tools and reflecting community preferences about design?

With proposals set out to improve the digital offer in the planning system, this will make it easier for all parties to understand, contribute and engage with the Local Plan process. As Local Plans become simpler, more streamlined due to the proposed web-based structure of plans, so too will Neighbourhood Plans as communities seek to engage with more online, web-based technology as we have highlighted in our response to Question 11.

14. Do you agree there should be a stronger emphasis on the build out of developments? And if so, what further measures would you support? [Yes / No / Not sure. Please provide supporting statement.]

(No Response)

Pillar Two – Planning for beautiful and sustainable places

15. What do you think about the design of new development that has happened recently in your area? [Not sure or indifferent / Beautiful and/or well-designed / Ugly and/ or poorly-designed / There hasn't been any / Other – please specify]

(No Response)

16. Sustainability is at the heart of our proposals. What is your priority for sustainability in your area? [Less reliance on cars / More green and open spaces / Energy efficiency of new buildings / More trees / Other – please specify]

(No Response)

17. Do you agree with our proposals for improving the production and use of design guides and codes? [Yes / No / Not sure. Please provide supporting statement.]

Yes. The Construction Leadership Council supports the proposals set out to improve the use and production of design codes and guides, particularly in post-industrial areas or smaller towns that have not traditionally had a history of good design. We welcome the government's statements about the value of good design, but we believe design guides rather than codes are the best approach.

We also believe that diversity is as important as design itself and that good environments are often the product of many different designs coming together rather than a monotony of hundreds of same style homes creating a dull uniformity. We must therefore avoid design guides or codes becoming prescriptive in their requirements.

However, we also suggest that design needs to be considered in a broader context compared to how it is set out in the government white paper. Design must consider more than just the development itself but also consider the wider local social and economic outcomes such as employment, infrastructure and how the development sits within a local community.

The CLC also have concerns about how such improved design codes will be managed and structured considering the continued pressures on Local Authority resources, particularly as a result of COVID.

18. Do you agree that we should establish a new body to support design coding and building better places, and that each authority should have a chief officer for design and place-making? [Yes / No / Not sure. Please provide supporting statement.]

Yes. The CLC supports the proposals set out that would establish a body to support design coding and essentially, building better places to live, work and play. There is, however, little clarity on who would oversee the work of this established body and what authority they will have in the planning process.

We would encourage government to consider representation from the built environment sector, including architects and developers, alongside planners and local government officials. The body would also need the resilience to manage the challenges associated with local democracy.

19. Do you agree with our proposal to consider how design might be given greater emphasis in the strategic objectives for Homes England? [Yes / No / Not sure. Please provide supporting statement.]

Yes. The CLC believe this presents a good opportunity to leverage Homes England to raise the standard across the built environment. Homes England could have a more ambitious role to play to raise the overall quality of development that receive public funding.

20. Do you agree with our proposals for implementing a fast-track for beauty? [Yes / No / Not sure. Please provide supporting statement.]

The CLC agrees with the notion of a fast-track planning system. However, this needs to be broader than just the concept of beauty in a development. On that basis, the CLC do not believe that beauty is enough for government to consider the merit of the fast-track treatment.

We refer to our answer to Question 17, where design needs to be more than look. Rather, it must incorporate livability, sustainability and affordability - how the development sits in a local community. As such, the CLC recommends that a broader set of metrics are put in place that could aid the fast-track process for development. The CIH (Construction Innovation Hub) Value Toolkit could be a model for ensuring a wider range of environmental, social and economic outcomes are met. By introducing the toolkit, this could make local plans more tangible to Local people.

Pillar Three – Planning for infrastructure and connected places

- 21. When new development happens in your area, what is your priority for what comes with it? [More affordable housing / More or better infrastructure (such as transport, schools, health provision) / Design of new buildings / More shops and/or employment space / Green space / Don't know / Other – please specify]**

(No Response)

- 22. Should the Government replace the Community Infrastructure Levy and Section 106 planning obligations with a new consolidated Infrastructure Levy, which is charged as a fixed proportion of development value above a set threshold? [Yes / No / Not sure. Please provide supporting statement.]**

The CLC is supportive of efforts to simplify the way that developer contributions are secured to part-fund the delivery of local social and economic infrastructure. A consolidated Infrastructure Levy would simplify the existing system, helping communities to share in the benefits of development, while making the process easier to operate for local authorities and the development community.

We believe that the proposals should represent a simplification of the process, rather than a variation in the overall amount of contribution secured from development. This avoids a scenario whereby local authorities see reductions in the funding available to them to deliver infrastructure, or where developments become less viable due to increased contribution costs.

It should be borne in mind that CIL has never raised sufficient money to fund infrastructure requirements and there can be no certainty that the proposed new Infrastructure Levy could do so either while also maintaining broadly the current Section 106 contribution to affordable housing. Therefore, we support the view that additional sources of funding will be required to deliver on areas like local infrastructure, employment, skills and affordable homes. As we set out in our recent report – *CLC Greener Regeneration Investment Fund*, additive and combined financing from both government and the private sector would enable real, long-term regeneration which could work alongside a reformed, simpler infrastructure levy. This plan for integrating funding streams should be drawn together as part of the strategic planning system and the development of local plans, not as currently stands on a site by site basis which results in delayed provision of infrastructure and often unspent accumulations of funding delivering no benefit, as outlined in the *MHCLG - The value, impact and delivery of the Community Infrastructure Levy report* which presents a series of findings looking at the operation, impact and value of CIL.

The CLC also supports Levy proceeds being spent not just in capital works themselves but on strictly defined preparatory spending such as feasibility studies. This would enable infrastructure projects to be delivered more efficiently in an area meeting local needs.

Finally, we believe that the implementation of any policy change should be well-managed to avoid any hiatus in delivery as local authorities transition to the new model.

22(b). Should the Infrastructure Levy rates be set nationally at a single rate, set nationally at an area-specific rate, or set locally? [Nationally at a single rate / Nationally at an area-specific rate / Locally]

Any response to this question cuts to the heart of the debate over the benefits of greater consistency at a UK level versus the importance of devolving responsibilities to decision makers at a local level who are better placed to understand local needs.

The risk associated with a single national rate is that this may lead to unaffordable developments in some areas while reducing the amount of income from a consolidated infrastructure levy in other parts of the country, where the levy could have secured a greater contribution to deliver infrastructure. In the latter case there is also a risk that these are precisely the areas that have higher infrastructure costs and therefore a uniform national rate may not be appropriate to local needs.

Rates being agreed in each local area seemed to defeat the purpose of simplification of developer contributions. Therefore, we would support area-specific rates that are set nationally to give greater certainty and consistency for all parties. However, we believe there should be the flexibility in cases for local authorities to modify their rate subject to an agreement with central government, if it is demonstrably not suitable. We would also recommend that the threshold be set at the equivalent of 10 units, depending on the area specific rate. This would protect the viability of smaller sites.

22(c). Should the Infrastructure Levy aim to capture the same amount of value overall, or more value, to support greater investment in infrastructure, affordable housing and local communities? [Same amount overall / More value / Less value / Not sure. Please provide supporting statement.]

As noted above we believe that this should be a fiscally neutral measure as the challenge that this consultation seeks to address is not the funding available for local infrastructure but the way in which funding is secured in a streamlined fashion.

Furthermore, an increase in overall value would load additional costs onto developers at a time when the property market remains fragile post COVID-19.

22(d). Should we allow local authorities to borrow against the Infrastructure Levy, to support infrastructure delivery in their area? [Yes / No / Not sure. Please provide supporting statement.]

We support proposals to allow local authorities to borrow against infrastructure levy income. This would give greater flexibility to the local authorities, while also accelerating the delivery of infrastructure rather than waiting for receipts. This proposal would also benefit the developers making sites more viable, while also accelerating construction activity promoting growth in the local economy.

The CLC believes that with proposals to allow Local Authorities to borrow against the levy, government needs to make sure that suitable safeguards are in place. This would also ensure that any receipts collected are not leaked into wider Local Authority priorities. Furthermore, this would safeguard in the event of an economic downturn and to protect the Local Authority's ability to

deliver on local social and economic infrastructure. But to also provide assurances to Local Authorities which may in the longer term encourage sensible borrowing and the deliverability of infrastructure.

23. Do you agree that the scope of the reformed Infrastructure Levy should capture changes of use through permitted development rights? [Yes / No / Not sure. Please provide supporting statement.]

Yes. The CLC supports proposals for a reformed Infrastructure levy to be extended to permitted development rights.

24. Do you agree that we should aim to secure at least the same amount of affordable housing under the Infrastructure Levy, and as much on-site affordable provision, as at present? [Yes / No / Not sure. Please provide supporting statement.]

The UK government has a clear vision to increase the volume of new homes being created including affordable provision. As such, any efforts to reduce the levels of affordable housing would potentially jeopardise this policy objective. The Construction Leadership Council therefore supports a position that maintains delivery of affordable housing at the current level.

Furthermore, there needs to be greater guidance offered to councils to deliver council housing and overcome barriers. Some of this could be commercial support, understanding how to partner with builders, or accessing finance but the Government may need to consider whether the qualification period for tenants to access Right to Buy, currently set at three years, is harming the motivation and lending ambition of councils to build council homes.

24(b). Should affordable housing be secured as in-kind payment towards the Infrastructure Levy, or as a 'right to purchase' at discounted rates for local authorities? [Yes / No / Not sure. Please provide supporting statement.]

There may be benefits in this approach as the developers may be able to deliver homes at a lower cost than if the local authority was trying to procure equivalent properties in the market. However, there is also a risk that this model may seem more attractive to developers than providing direct funding which could lead to an imbalance with a surplus of affordable housing and reduced other infrastructure to support this. As such, in-kind payment should only form a percentage of any Infrastructure Levy contribution.

24(c). If an in-kind delivery approach is taken, should we mitigate against local authority overpayment risk? [Yes / No / Not sure. Please provide supporting statement.]

The most appropriate way for Local Authorities' to mitigate against in-kind payments should be to pay brick on brick costs. This could be validated using existing viability assessments.

24(d). If an in-kind delivery approach is taken, are there additional steps that would need to be taken to support affordable housing quality? [Yes / No / Not sure. Please provide supporting statement.]

The CLC believes the quality of affordable housing should be driven through Building Regulations. If the Governments main concerns are, for example, Part L - energy efficiency, it should ensure this is reflected in a change to Building Regulations.

25. Should local authorities have fewer restrictions over how they spend the Infrastructure Levy? [Yes / No / Not sure. Please provide supporting statement.]

The infrastructure levy was put in place to ensure that there was enough social and economic infrastructure to support the increase in housing and other development for which permission is being sought. Given current pressures on local authority budgets there is a risk that significantly relaxing freedoms around how the levy can be spent may be counterproductive leading to shortfalls in funding being available for actual infrastructure provision. As such we believe the government should be very clear as to what is, and is not, in scope for spending of the infrastructure levy.

As mentioned in our response to question 22, the CLC supports local authorities being given the flexibility to use the Levy on strictly defined revenue expenditure such as feasibility studies for infrastructure projects.

In addition, the CLC recommend an Industry/government Taskforce is set up to review whether infrastructure funding statements are being delivered.

25(a). If yes, should an affordable housing 'ring-fence' be developed? [Yes / No / Not sure. Please provide supporting statement.]

As noted in our answer to the previous question we believe that it is important that consolidated infrastructure levy is solely used to support the delivery of new local social and economic infrastructure, including affordable housing. We think the Government may wish to provide guidelines on what appropriate split of this funding may be for local authorities with an expectation that it will include an element of affordable housing but we do not believe that a specific ring-fence should be in place.

What happens next...

26. Do you have any views on the potential impact of the proposals raised in this consultation on people with protected characteristics as defined in section 149 of the Equality Act 2010?

(No Response)